

# **Time & Effort Reporting Requirements Federal Grant Programs**

## ***What is time and effort reporting?***

All employees charged to federal grants must maintain time and effort reporting. It does not matter if it is IDEA funding, or Title funding, Perkins or AEFL - formula or discretionary - any employee funded with federal grants must document the time they spend working on the grant's objectives to demonstrate that the amount budgeted and claimed is accurate.

If a subrecipient is receiving a federal grant through the Wisconsin Department of Public Instruction, then employees whose costs are claimed as 100/200 objects must be maintaining time and effort records.

Time and effort records are housed by the subrecipient and not submitted to the awarding agency. Time and effort records become subject to review during audits, monitoring, IDEA complaints or other situations that require the subrecipient to provide evidence that time funded by the federal grant was spent working towards the grant's objectives.

## ***Where is this requirement established?***

Time and effort reporting requirements are part of the allowable costs as defined by the U.S. Office of Management and Budgets (OMB). OMB circulars are applied to all federal grants, contracts and cooperative agreements.

[OMB Circular A-87](#) provides detailed rules on the use of federal funds. The circular is entitled "Cost Principles for State, Local, and Indian Tribal Governments." LEAs are considered local governments, so this circular applies. [Attachment B](#) of this circular includes selected items of cost and information on whether or not these costs are allowed with federal funds.

One of the selected items of allowable costs is salaries and fringe benefits. In general, salaries and wages of employees who work on federally funded programs may be paid with federal funds as long as they are working on the grant's objectives and appropriate "time and effort" records are maintained.

## ***What is required?***

There are two types of required time and effort records: general semi-annual certifications and detailed monthly reports. The type of record that must be kept is based on the job responsibilities of the individual charged to the grant. The job responsibilities are referred to as either a "single cost objective" or "multiple cost objectives."

The difference between single and multiple cost objectives is determined by how an employee *works*, not how the employee is funded.

## ***Single Cost Objective – Semi-Annual Certification***

An individual who has a "single cost objective" has a position that is dedicated to a singular purpose. For instance, a special education teacher is considered to have a single cost objective because the teacher works only with special education. An individual who has a single cost objective would complete semi-annual certifications. A semi-annual certification is a sign-off twice a year (usually every six months) by the employee or a supervisor with first-hand knowledge of the employee's work.

A semi-annual certification should identify:

- Employer's Name
- Employee's Name
- Federal Program
- Reporting Period
- Employee's Position
- Single Cost Objective

Below is an example of an IDEA funded semi-annual certification signed by the employee for the immediately preceding months of work:

\*\*\*Janesville School District Semi-Annual Certification Form\*\*\*

Employee: Forrest Thompson Title: EBD Teacher  
Federal Program: IDEA CFDA: 84.027  
Reporting Period: July 1, 2009-December 31, 2009 Fiscal Year: 2010

I have worked 100% under the following single cost objective: *Ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living.*

Signature: *Forrest Thompson* Date: *01/15/2010*

Even if this teacher is funded with both IDEA dollars and local dollars, he works for a single cost objective and is only required to sign semi-annual certification.

Signed after the reporting period

The semi-annual certification example above is signed by the employee. OMB Circular A-87 also allows for semi-annual certifications to be signed by a supervisor with direct knowledge of the employee's activities. LEAs can use this flexibility to create semi-annual certifications for several employees in a single document, signed by a supervisor:

\*\*\*Janesville School District Semi-Annual Certification Form\*\*\*

This is to certify that the following individuals have worked 100% of their time from July 1, 2009 through December 31, 2010 (FY 2010) under the IDEA (CFDA 84.027) cost objective:

*Ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living.*

School: Monroe Elementary	
Name	Position
Susan Felt	Speech & Language Pathologist
Lynette Vlasak	Occupational Therapist
Matthew Dasse	LD Teacher

I have first-hand knowledge of the work performed by these individuals.

Rebecca Hill, Principal, Monroe Elementary  
Signature: *Rebecca Hill* Date: *01/15/2010*

The previous graphics are *examples* of what a semi-annual certification may look like. There is no required form or format. However, the following information must be documented: Employee Name, Employee Title, Employer Name, Funding Source, Single Cost Objective, and Reporting Period. The certification must be signed either by the employee or a supervisor with first-hand knowledge of the employee's work *after* the work has been completed.

### ***Multiple Cost Objective – Personnel Activity Reports (PARS)***

An individual who serves different student populations needs to complete monthly Personnel Activity Reports, often referred to as "PARs."

PARs need to be completed at least monthly, after the work has been completed. The PAR must reflect the individual's total work time and identify the portion of time spent on the federal project. The PAR *must* be signed by the employee. The PAR must be supported with documentation of actual effort, not estimates. Supporting documentation could be a

work calendar, work product, time log, or class schedule. The employee who signs off on the PAR must have supporting documentation for the time reported. Relying on time estimates identified in the grant budget rather than actual time recorded through a work calendar or class schedule will result in an audit or monitoring finding of unallowable costs.

A school psychologist may be an individual who needs to complete PARs instead of a semi-annual certification. If the school psychologist is funded through IDEA but is also funded locally to work with students who do not have disabilities, she has “multiple cost objectives” because she works with both special education and non-special education students. Her monthly PARs would document 100% of her work schedule and identify the amount of time she spends working only with students with disabilities and time working on “non-federal activities” (which may include state categorical aid time and local non-special education time).

As is the case with the semi-annual certification, there is no standard format used for PARs. The required information that must be on PARs is:

- Employer’s Name
- Employee’s Name / Position
- Federal Program / CFDA #
- Reporting Period
- 100% of Work Activities
- Employee’s Signature

PARs, for employees working on multiple cost objectives, must follow these standards:

- After-the-fact record: The PAR must be created after the work has been executed. Projections of how an employee is expected to work or position descriptions would not be sufficient.
- Total activity: The PAR must account for the total activity for which each employee is compensated, including part-time schedules or overtime.
- Monthly: The PAR must be prepared at least monthly and must coincide with one or more pay periods; and
- Signed and dated: The PAR must be signed and dated by the employee. Unlike the semi-annual certification, signature of a supervisor alone would not be sufficient, however, the supervisor could sign in addition to the employee.

The following is an example of a PAR for a school psychologist:

\*\*\*Janesville School District Personnel Activity Report\*\*\*

Employee: Joy Binstock Title: Psychologist

Reporting Period: April 1- 30, 2010 Fiscal Year: 2010

Cost Objective	Program	Distribution of Time	# of Hours of Time
Special Education	IDEA Flow-Through / CFDA 84.027	15%	26.5
Special Education	Non-Federal Activities (aidable costs)	70%	123
Regular Education	Non-Federal Activities	15%	26.5
Indirect Time	Vacation / Sick Leave	0%	0
		100%	176

I hereby certify this report is an after-the-fact determination of the total activity and actual effort expended for the period indicated, and I have full knowledge of 100% of these activities.

Signature: Joy Binstock Date: 05/03/2010

There must be supporting documentation demonstrating how these hours were determined

There is 176 total work hours in the month of April

PARs are “after the fact” and the signature date must reflect this  
A supervisor’s signature is not required

### ***Multiple Cost Objective – Single Funding Source – PARs Required***

In some situations, an individual could be charged to a single federal funding source but have multiple cost objectives. This may occur with IDEA funding if the individual is charged to both the flow-through entitlement portion of the grant and also funded with coordinated early intervening services (CEIS) funds. If a school psychologist is charged to regular IDEA entitlement to work with special education students and also to the CEIS portion of the grant to work

with regular education students, then she would need to keep PARs to document the time spent with special education versus the time spent with non-special education students (as well as any other time outside of federal funding).

The following is an example of a PAR for a school psychologist who is charged to flow-through and CEIS:

***Janesville School District Personnel Activity Report***			
Employee: <u>Laura Veirs</u>		Title: <u>Psychologist</u>	
Reporting Period: <u>April 1- 30, 2010</u>		Fiscal Year: <u>2010</u>	
Cost Objective	Program	Distribution of Time	# of Hours of Time
Special Education	IDEA Flow-Through / CFDA 84.027	60%	105.5
CEIS	IDEA Flow-Through / CFDA 84.027	40%	70.5
Indirect Time	Vacation / Sick Leave	0%	0
		100%	176
<p>I hereby certify this report is an after-the-fact determination of the total activity and actual effort expended for the period indicated, and I have full knowledge of 100% of these activities.</p> <p>Signature: <u>Laura Veirs</u>                      Date: <u>05/03/2010</u></p>			

### ***Time and Effort Reporting and Claims for Federal Funding***

If the sub-recipient's payroll is processed based on budgeted or estimated time and activities, then payroll records must be compared to time and effort reports at least quarterly. During the quarterly comparison, if the difference between what is budgeted and what is documented in the time and effort reporting is greater than 10 percent, then payroll charges must be adjusted at the time of comparison. In addition, subsequent quarterly estimates must be amended to more closely reflect actual activity. If the difference between what is budgeted and what is documented in the time and effort reporting is less than 10 percent, the adjustment does not need to occur until the end of the year. However, in the final quarter, payroll charges for the year must be adjusted to reflect actual time spent as supported by time and effort reports.

### ***What are consequences for not keeping federal grant time and effort reports?***

The lack of time and effort reporting is the single largest audit finding by the US Office of Inspector General (OIG). Costs that do not have adequate documentation are deemed "unallowable" and subject to repayment. An OIG audit report posted in November 2008 for the Harvey School District (Illinois) listed \$277,207 in questionable costs due to a lack of documentation. Harvey School District has a student population of 3,537. After the audit, OIG made the following recommendations:

- Provide documentation adequate to support the allowability of \$277,107 in federal expenditures or return that amount to the US Department of Education;
- Provide periodic certifications and after-the-fact personnel activity reports documenting personnel costs charged to Title I, Part A, Reading First, Title II-Teacher Quality, and IDEA, Part B for all employees who OIG did not review and were paid with program funds for the 2005-2006, 2006-2007, and 2007-2008 grant years, or return those funds to the US Department of Education;
- Develop and implement written policies and procedures for periodic certifications and personnel activity reports;
- Develop and implement written policies and procedures for properly allocating costs to the federal programs and properly train staff on the new procedures.

The entire Harvey audit report can be viewed at <http://www.ed.gov/about/offices/list/oig/auditreports/fy2009/a05h0025.pdf>. It is an excellent example of how all school districts, not just large ones, are subject to the rules set forth by the OMB circulars.

## **Cost Objective Examples**

### **Single Funding Source; Single Cost Objective**

*Example:* A teacher providing only special education services 100% of the day is charged 100% to the IDEA grant.

*Time and Effort Reporting Required:* Semi-annual certification.

### **Single Funding Source; Multiple Cost Objectives**

*Example 1:* A school psychologist works 50% of the day with special education and 50% of the day providing coordinated early intervening services (CEIS). Both activities are funded with IDEA flow-through; however, the objectives are different. The school psychologist must document his time to ensure that the amounts charged to flow-through and to CEIS are accurate. To do this, each month the school psychologist tracks the time spent on each of the two cost objectives: Special Education and CEIS.

*Time and Effort Reporting Required:* PAR at least monthly.

*Example 2:* IDEA requires that each LEA set-aside a proportionate share of federal funds to provide equitable services to parentally placed private school children. A speech and language therapist spends 5% of her time performing duties related to parentally placed private school children and 95% of her time with children with disabilities attending public school. To capture the cost of the time spent on parentally placed private school children and ensure the LEA's equitable set-aside is met, the speech and language therapist must differentiate the cost of the salary paid for equitable services from other IDEA services. To do this, monthly tracking and reporting of the two cost objectives is needed.

*Time and Effort Reporting Required:* PAR at least monthly.

### **Multiple Funding Sources; Single Cost Objective**

*Example 1:* A special education teacher is funded with IDEA funds and funds eligible for state special education categorical aid. In Wisconsin, special education teachers may only provide services to those students who have been identified as students requiring special education services. This is reported as a single cost objective.

*Time and Effort Reporting Required:* Semi-annual certification.

*Example 2:* An office assistant works for the special education team 100% and is funded partially with IDEA and partially with local funds. Since all the work is for special education, this is reported as a single cost objective.

*Time and Effort Reporting Required:* Semi-annual certification.

*Example 3:* An early childhood special education teacher is funded 80% with flow-through and 20% with preschool entitlement funds. Since there is no difference in the activities funded by the two fund sources (i.e., teaching activities for this population of students are allowable costs to both programs), this is reported as a single cost objective.

*Time and Effort Reporting Required:* Semi-annual certification.

*Example 4:* A Special Education Director is charged 50% to IDEA regular entitlement and 50% to ARRA IDEA recovery. Since there is no difference in the activities funded by the two fund sources, this is reported as a single cost objective.

*Time and Effort Reporting Required:* Semi-annual certification.

### **Multiple Funding Sources; Multiple Cost Objectives**

*Example 1:* A teacher provides special education services to students 60% of the time (funded by IDEA) and bilingual instruction to English Language Learners 40% of the time. Since the services are not the same, two cost objectives are reported.

*Time and Effort Reporting Required:* PAR at least monthly.

*Example 2:* A bookkeeper manages the IDEA grant budgets as well as the district's special education budget for state special education categorical aid. Although both budgets deal with special education, it is only the time spent working on the federal grant budget that qualifies for grant reimbursement. Two cost objectives must be reported.

*Time and Effort Reporting Required:* PAR at least monthly.

*Example 3:* An office assistant provides support to the special education staff and to the district administrator. Since the activities are not the same, two cost objectives are reported.

*Time and Effort Reporting Required:* PAR at least monthly.

*Example 4:* A special education teacher is a project director for a discretionary grant focusing on PBIS (positive behavioral intervention systems) and also charged to the IDEA entitlement grant for services provided to students with disabilities. Since the focus of the discretionary grant is for all students, and IDEA is for students with disabilities, two cost objectives are reported.

*Time and Effort Reporting Required:* PAR at least monthly.

*Example 5:* A paraprofessional works 50% percent of her time with special education students (funded by IDEA) and 50% of her time with Title I-eligible students. Since the two fund sources are intended for different purposes, two cost objectives are reported.

*Time and Effort Reporting Required:* PAR at least monthly.

### ***Frequently Asked Questions - Federal Time & Effort Reporting***

***Q1 Didn't Wisconsin Act 221 eliminate the necessity for time and effort reporting of school psychologists, nurses, social workers, and guidance counselors?***

A1 No. Wisconsin Act 221 eliminated time and effort reporting for **state** special education categorical aid reimbursements. OMB Circular A-87 requires time and effort reporting (semi-annual certification or personnel activity reports) by all personnel funded by **federal** grants, including IDEA. No state law can supersede OMB A-87 requirements for the administration of federal grants.

***Q2 How must we handle time and effort for an employee who is paid over a 12 month period, but works over a shorter time period (e.g., a nine month school year)?***

A2 The assignment of costs to funding sources for the three month period the employee did not work must be based on the cost assignment during the nine month period the employee did work. The cost assignments for the period the employee worked must be based on time and effort records.

***Q3 Are substitute teachers or other temporary personnel required to keep time and effort records? How are their salaries charged?***

A3 If a temporary employee works on the day the time and effort record must be signed, the employee should sign it. If a temporary employee is not present on the day the record must be signed, the employee is not required to sign it.

In charging the salary of substitutes or temporary employees, an agency may either: (1) pool the salary of all substitutes and distribute the total among funding sources, based on the total time distribution of all the permanent employees replaced; or (2) assign the charges of each substitute based on the time distribution of the person replaced.

***Q4 If an LEA maintains a fully-computerized and paperless PAR system would a digital signature, occurring when an employee logs on to the PAR system with a unique ID and password, be an acceptable alternative to an employee's signature?***

A4 The procedure is acceptable as long as the LEA can demonstrate that only the individual employee's actions result in the assignment of time to various funding sources, and the computerized time and effort record-keeping system complies with the other OMB A-87 PAR requirements.

***Q5 If an employee has a supplemental contract in addition to a teaching contract, allowing them to work at a different job after school, e.g., athletic coach or tutor, is the employee required to keep time and effort records for the supplemental contract?***

**A5** If an employee works in a single position or job, a single set of time and effort records must be kept to capture the entire time the employee works in the position. If an employee works additional hours as part of the employees' regular job, the hours must be included in the single set of time and effort records. The single set of time and effort records must capture 100% of the work in the position. The time and effort records are used to distribute costs for the employee's entire compensation, including compensation from the base contract, a supplemental contract, or a stipend.

However, if an employee works in two distinct positions, e.g., a special education teacher during the school day and coach after school, each position is evaluated separately to determine if time and effort reporting is required and the type of reporting required (semi-annual certifications or PARs). If the school-day position is paid with federal funds and the after-school position is paid with non-federal funds, time and effort records must be kept for the school-day position but not the after-school position. If both positions are paid with federal funds, then two separate sets of time and effort records must be kept. For example, a teacher may have a base contract to provide learning disabilities services part of the school day and teach third grade the rest of the school day. The employee also may have a supplemental federally-funded contract through the "21st Century Learning" program to provide activities after school. PARs would be required for the base teaching contract, while only semi-annual certifications would be required for the after-school contract.